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PANCHAYATI RAJ & D.W. DEPARTMENT

NOTIFICATION

The 15th February, 2024

[No.3743—PT1-PR-RH-SCHEME-0002/2024/P.R&D.W.]

Guidelines for Interest Free Credit Guarantee Self Employment Scheme for Rural Youth namely “SWAYAM”.

1. Short Title

This scheme is meant for self-employed youth i.e. SWATANTRA YUVA UDYAMI, hence it is named as “**SWAYAM**”.

2. Objective

The scheme focuses on financial assistance to youth in the age group of 18-35 years for setting up gainful self-employment ventures / micro-enterprises, suited to their skills, training, aptitude and local conditions through easy access of credit through banks with interest subsidy. The under employed or unemployed poor is encouraged to set up small enterprises relating to manufacturing, servicing and petty business for which there is considerable local demand.

3. Key Feature

All rural unemployed youth or those with no outstanding loan for the same purpose from any Central/ State Government supported schemes in the age group of 18-35 years (18-40 years for special category) desirous of starting a new business or to expand their existing business will be provided interest free bank loan for project cost upto Rs. 1 Lakh .

4. Commencement and Duration

The scheme will be in operation for 2 years from the date of notification by State Government which may be extended further as per the decision of the Government.

5. Target of Coverage

One Lakh youth will be covered in 2 years which may be extended as per the decision of Government. PR& DW Department will allocate district-wise target which SLBC will allocate amongst eligible banks of the District.

6. Eligibility

All the applicants meeting the criteria mentioned below will be eligible for taking benefit under this scheme.

- 6.1 Any individual within the age group of 18-35 years. For applicants belonging to SC/ ST / PwD categories, the upper age limit will be 40 years.
- 6.2 Applicant's family is covered under KALIA / BSKY Scheme or having income of less than Rs. 2 lakh per annum.
- 6.3 The applicant must have UDYAM registered/ UDYAM assisted number

7. Exclusion Criteria

An applicant covered under any of the parameters listed below will be excluded from availing benefit of the scheme:-

- 7.1 Defaulter in any bank/ Financial Institution or having outstanding loan for the same purpose from any Central / State Government Schemes.
- 7.2 Regular employees of Central/State Government/ PSUs/ Statutory bodies and their families.
- 7.3 If one member in the family is covered under this scheme.

8. Definition of Family

For the purpose of this scheme "Family" implies self and Spouse.

9. Applicability of the Scheme

- 9.1 Any income generating project in manufacturing / service/ trading/ business.
- 9.2 Applicants desirous of setting up new enterprise or expanding existing enterprise can apply.

10. Project Cost

The project cost will be Rs. 1 Lakh with 5% margin money to be paid by the borrower. Thus, the loan amount of Rs. 95,000/- will be interest free through interest sub-vention.

11. Eligible Lending Institutions

All Public Sector Banks, private scheduled commercial Banks, Regional Rural Banks, Co-operative Banks covered under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) will be eligible to participate in this scheme.

12. Rate of Interest and Repayment Schedule

The loan will be disbursed in maximum 2 instalments. Normal rate of interest applicable for similar Central / State Government Schemes shall be charged by the bank. The repayment period will be 4 years which includes moratorium period varying from 3 to 6 months as prescribed by the concerned bank / financial institution.

13. Guaranteed Coverage under this Scheme

The scheme shall have provision of credit guarantee coverage upto 100 % of the loan amount in collaboration with Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). State Government will provide guarantee upto 15% of Loan amount over and above 85% guarantee covered under CGTMSE.

14. Annual Guarantee Fee charged by CGTMSE

CGTMSE will charge annual guarantee fee as per norms on its share of guarantee coverage. The State Government will bear the said cost on behalf of the borrowers.

15. Interest Sub-vention

State Government will bear the interest accrued from the principal and thus for the borrower the rate of interest on the loan will be zero. State Government will release Interest sub-vention on quarterly basis to the borrower's account which will be placed in advance with a nodal bank. The detailed modalities for disbursement of interest subsidy amount among participating banks will be communicated separately by PR&DW Department.

16. Processing Fees

There will be no processing fees and service charges by the bank

17. Insurance Coverage

There will be comprehensive insurance coverage on all types of risks including floods and earthquakes for 110 % of the value of the stocks declared by bank. The borrower will bear the insurance charges.

18. Collateral

No collateral is required for sanction of the loan by the bank. Only the assets created are hypothecated / mortgaged / pledged to banks for advancing loans.

19. Mode of Implementation

- 19.1 There will be a dedicated website for registration and submission of applications.
- 19.2 The services of Mo-Seva Kendra can also be utilized by the applicant for submission of the application.
- 19.3 The beneficiaries will select bank during filing application.
- 19.4 The concerned Bank, on receipt of application, will carry out the required due diligence (desk and field verification) after which will sanction eligible applications.
- 19.5 During field verification bank will assist the applicant in preparing required simplified DPR for sanctioning loan.
- 19.6 The banks will disburse the loan amount to the applicant after sanction and deposit of State Guarantee and margin money.
- 19.7 The beneficiary will deposit the EMI with the concerned bank regularly after the moratorium period. However, the bank will charge interest during such moratorium as well. Even though the interest is chargeable from the date of 1st disbursal, the beneficiary will repay only after the moratorium period.
- 19.8 The beneficiaries are at the liberty to repay the loan amount earlier than the scheduled period. They can also opt for paying higher EMIs. The banks shall charge no penalty for such modification in the repayment schedule for the fore-closure of the loan.

20. Administrative Cost

The Administrative Cost will be met out of 3% of the Programme Funds for utilization in arranging awareness camps, State/District/Block level monitoring meetings, Workshops, Exhibitions, Bankers meeting, IEC Activities, Entrepreneurship Development Programme (EDP) training, Evaluation & Impact Assessment study, Creation and Up-gradation of IT infrastructure, Awards, Call Centre facility etc.

21. Entrepreneurship Development Programme (EDP)

BDO will organize EDP in collaboration with the banks and concerned Departments to orient and make aware the entrepreneurs and the beneficiaries whose loans have already been sanctioned to sensitize them on various managerial and operational functions like finance, production, marketing, enterprise management, banking formalities, book-keeping, statutory compliances etc. to run their business effectively. EDP training will be either in online or offline mode.

22. Grievance Redressal

The applicants can put forth their grievances through Jana Sunani Portal / dedicated call centre or before concerned Panchayat/ Block/ District/ State authority. The grievances will be immediately acted upon by the concerned authority.

23. Audit

The expenditure under this scheme will be audited every year through a Chartered Accountant selected by the PR & DW Department. This scheme fund will be open to audit by the internal audit wing of the PR & DW Department.

24. 5T Charter / Mo-Sarkar

The scheme has been formulated under the board charter of 5 'T's of the Government. Further, this scheme will also be covered under "Mo-Sarkar" platform for effective implementation.

25. Monitoring

25.1. Block Level

Block Level Committee consisting of following members will be setup in each block to monitor the implementation of the scheme concerning to the Block.

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|--|-------------------|
| i. Block Development Officer | -Chairman |
| ii. All Bank Branch Managers
of the Block | - Member |
| iii. Industries Promotion Officer | - Member |
| iv. Two members nominated by BDO | - Member |
| v. Progress Assistant/ GPEO | - Member Convenor |

The meeting of the Committee will be held on monthly basis.

25.2. District Level

District Level Committee consisting of following members will be setup in each District and will hold meeting on monthly basis to monitor the implementation of the scheme concerning to the District.

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|---|----------------------|
| i. Collector | - Chairman |
| ii. LDM | - Member |
| iii. AGM, NABARD | - Member |
| iv. GM, DIC | - Member |
| v. DPM, OLM | - Member |
| vi. Any two members nominated
by Collector | - Member |
| vii. CDO-cum-EO, ZP | - Member
Convenor |

25.3. State Level

State Level Committee consisting of following members will be setup to monitor the implementation of the scheme and will hold meeting on quarterly basis.

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|--------------------------------------|------------|
| i. Chief Secretary | - Chairman |
| ii. Principal Secretary, PR&DW Dept. | - Member |

iii.	Principal Secretary, Finance Dept.	- Member
iv.	Principal Secretary, MSME Dept.	- Member
v.	Principal Secretary, Skill Development & Technical Education	- Member
vi.	Commissioner- <i>cum</i> -Secretary, Dept. of Mission Shakti	- Member
vii.	CGM, NABARD	- Member
viii.	Convenor, SLBC	- Member
ix.	Director, Special Projects	- Member
		Convenor

26. Miscellaneous

- 26.1 Panchayati Raj & Drinking Water Department / SLBC will be responsible for clarifying doubts and to ensure that bottlenecks in the implementation of the scheme are removed as expeditiously as possible and communicated to all concerned as and when required.
- 26.2 Notwithstanding anything contained in any of the provision of this scheme, the State Government may at any time modify, vary, alter, amend, or withdraw any of the provisions made hereinabove in the Scheme and such modifications, variations, alterations, amendments and withdrawal shall be effective from the date specified in the order so made in this behalf.

ORDER

Ordered that this Resolution be published in an Extraordinary issue of the *Odisha Gazette*.

By Order of the Governor

SUSHIL KUMAR LOHANI

Principal Secretary to Government